

## 001—Overview of the Standardized Account Code Structure

Part II of the *California School Accounting Manual* presents the Standardized Account Code Structure (SACS) for use by school districts and county offices of education. The standardized structure has been developed to accomplish the following objectives:

- Establish a uniform, comprehensive, and minimum chart of accounts statewide to improve financial data collection, reporting, transmission, accuracy, and comparability.
- Reduce the administrative burden on local educational agencies (LEAs) in preparing required financial reports.
- Meet federal compliance guidelines and increase the opportunities for California to receive federal funding for education programs.
- Ensure that school districts and county offices of education comply with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).
- Create a logical framework that can be used to determine where education funds come from and how they are used.
- Provide better information for use by administrators, parents, board members, legislators, and others interested in school finance.

The Standardized Account Code Structure contains seven numerically coded, required fields that must be built into the accounting structure of all LEAs that implement SACS. However, the use of one of these fields, the school field, is not required at this time.

1.	Fund/Account Group	2 digits
2.	Resource	4 digits
3.	Project Year	1 digit
4.	Goal	4 digits
5.	Function (Activity)	4 digits
6.	Object	4 digits
7.	<i>School (Three-digit field is required, but its use is optional.)</i>	<i>3 digits</i>

Local educational agencies may include additional subfields in their chart of accounts and/or expand the number of digits in each field, but they must utilize fields one through six described in this manual.

This section of the *California School Accounting Manual* provides a chart of accounts with detailed account codes, descriptions, and definitions for each of the seven fields and examples of how to use the codes for common financial transactions.

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### Standardized Account Code Structure Field Descriptions

#### Fund/Account Group (2 digits)

##### Fund

- Establishes a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, all related liabilities, and residual equities and balances or changes therein
- Identifies specific activities or defines certain objectives of an LEA in accordance with special regulations, restrictions, or limitations
- Applies to revenue, expenditure, and balance sheet accounts

##### Account Group

- Establishes a self-balancing group of accounts to account for fixed assets or for the unmatured general long-term debt of an LEA
- Applies to balance sheet accounts

#### Resource (Project/Reporting) (4 digits)

- Tracks those activities that are funded with revenues that have special accounting or reporting requirements or that are legally restricted, such as Title I
- Includes Resource 0000 for accounting activities using resources that are unrestricted within the fund
- Applies to revenue, expenditure, and balance sheet accounts

#### Project Year (1 digit)

- Distinguishes the activities of those projects that span more than one fiscal year
- Applies to revenue, expenditure, and balance sheet accounts

#### Goal (4 digits)

- Accumulates costs by instructional goals and objectives of an LEA. Groups costs by population, setting, and/or educational mode
- Allows the charging of instructional costs and direct support costs to the benefiting goals
- Provides the framework for accumulating the costs of different functions by goals
- Captures financial information by subject matter and/or mode of education
- Includes Goal 0000 for functions that are not directly assignable to a goal
- Applies to expenditure accounts and special education revenue accounts; may be used with other revenue accounts and is required in special education revenue accounts

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### **Function** (Activity) (4 digits)

- Describes activities or services performed to accomplish one or more objectives in the goal field
- Describes the activity for which a service or material object is acquired
- Consists of activities that have somewhat the same general operational objectives
- Applies to expenditure accounts; may be used in revenue accounts

### **Object** (4 digits)

- Captures the service or commodity obtained as a result of a specific expenditure, the general source and type of revenue, or a balance sheet account
- Generates financial statements
- Applies to revenue, expenditure, and balance sheet accounts

### **School** (3 digits)

- Designates a specific, physical school structure or group of structures that form a campus under a principal's responsibility, for which a unique set of test scores is reported and that is identified as such in the *California Public School Directory*
- Applies to expenditure accounts; may be used in revenue accounts and balance sheet accounts

*Note:* The school field is required to be built into the accounting system of all LEAs that implement SACS. However, *its use is not required at this time* for state reporting purposes.

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### Standardized Account Code Structure Layout

<i><b>Field</b></i>	<b>XX</b>	<b>XXXX</b>	<b>X</b>	<b>XXXX</b>	<b>XXXX</b>	<b>XXXX</b>	<b>XXX</b>
<b>Fund/Account Group</b>							
<b>Resource (Project/Reporting)</b>							
<b>Project Year</b>							
<b>Goal</b>							
<b>Function (Activity)</b>							
<b>Object</b>							
<b><i>School</i> (Use optional)</b>							

- The fields must be presented in this order when data are submitted to the Department of Education.
- Each of these fields must contain either digits or default zeros.
- The three digits of the school field will not be submitted to the Department of Education at this time.

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## Use of Standardized Account Code Structure

The following graphics highlight the use of each field for the major types of accounts. The display for each type of account contains a legend that groups the fields in accordance with these uses.

### 1. Revenue Accounts

- ☐ Fund/Account Group, Resource, and Object must be coded for all revenue transactions.
- ☐ Project Year must be coded for revenue transactions when more than one year of a federal or state project occurs in the LEA fiscal year.
- ☐ Coding of the diagonally striped fields (Function and School) is not required. An exception occurs for the Goal, which must be coded at the 5XXX level for special education revenue; coding the Goal field is optional for other revenue.

Fund/ Account Group	Resource (Project/ Reporting)	Project Year	Goal	Function (Activity)	Object	School
XX	XXXX	X	XXXX	XXXX	XXXX	XXX

### 2. Expenditure Accounts

- ☐ Fund/Account Group, Resource, Goal, Function, and Object must be coded for all expenditure transactions.
- ☐ Project Year must be coded for expenditure transactions when more than one year of a federal or state project occurs in the LEA fiscal year.
- ☐ Coding of School is not required at this time.

Fund/ Account Group	Resource (Project/ Reporting)	Project Year	Goal	Function (Activity)	Object	School
XX	XXXX	X	XXXX	XXXX	XXXX	XXX

### 3. Balance Sheet Accounts

- ☐ Fund/Account Group, Resource, and Object must be coded for all balance sheet transactions.
- ☐ Coding of Project Year, Goal, Function, and School is not required.

Fund/ Account Group	Resource (Project/ Reporting)	Project Year	Goal	Function (Activity)	Object	School
XX	XXXX	X	XXXX	XXXX	XXXX	XXX

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